

## **Senate Community Affairs Legislation Committee**

### **ADDITIONAL ESTIMATES - 27 FEBRUARY 2014 ANSWER TO QUESTION ON NOTICE**

#### **Department of Human Services**

**Topic:** Centrelink Overpayments

**Question reference number:** HS 124

**Senator:** Cameron

**Type of question:** Written

**Date set by the committee for the return of answer:** 24 April 2014

**Number of pages:** 2

#### **Question:**

- a) I refer to HS 90. Please update answers a), b) and c)
- b) What are the reasons for overpayments?
- c) Provide details of how the IT management systems contribute to overpayments?
- d) Does DHS expect to recover overpayments and over what time period?
- e) How many customers are subject to collection agencies?
- f) How many customers are subject to garnishee?

#### **Answer:**

- a) With regard to HS 90, the following are updated responses to parts (a), (b) and (c), as at 28 February 2014:
  - (a) There were 464,869 debts owed by non-current customers (people not in receipt of a Centrelink payment at that date). Of this total, 192,560 debts relate to Family Tax Benefit and associated payments.
  - (b) The total value of the debts owed by non-current customers was \$1,168,825,039. Of this total, debts to the value of \$572,474,100 are owed in relation to Family Tax Benefit and associated payments.
  - (c) Of the total debts owed by non-current customers, 181,603 debts with a total value of \$458,423,476, were not under any formal arrangement.
- b) As at 28 February 2014 the main reasons for debts owed by all customers are listed in the table below:

	<b>Reason</b>	<b>No</b>
1	FAO Reconciliation	182,665
2	Own Earnings Wrongly Declared/Coded	136,577
3	FAO Non Lodger	116,601
4	Own Earnings Undeclared/Coded	111,895
5	Advance Payments	93,518
6	Failed Form Not Lodged	40,360
7	Partner Earnings Wrongly Declared/Coded	28,633
8	Not Eligible For Payment	26,215
9	Discontinued	26,030
10	Partner Earnings Undeclared/Coded	21,065
11	Opposite-Sex Relationship Status	20,951
12	Unsatisfactory Attendance or Workload	18,488
13	Loss Of Care	17,910
14	Not in Australia	14,937
15	Dependent Child Details	13,974
16	Rent Incorrectly Declared/Coded	13,174
17	Other	141,042
<b>TOTAL</b>		<b>1,024,035</b>

\*Please note: there are an additional 114 debt reason types which have been combined under the heading 'Other'.

- c) When overpayments or underpayments occur as a result of an IT system issue, the department manually reviews the overpayments and contacts customers to explain the reason for the debt. These debts are then recorded under the above reasons.
- d) Repayment arrangements, and the timeframe to repay a debt, vary dependent on a customer's capacity to repay the debt and what opportunities exist to recover the debt by garnishee.
- e) As at 28 February 2014, there were 79,615 customers subject to collection agencies.
- f) As at 28 February 2014, there were 1,308 customers subject to garnishee.